

# Chapter 3 – The Planning Environment

*This chapter describes the local, state, regional, and federal laws, policies and guidelines that most affect City Light's integrated resource planning process.*

Seattle City Light's resource decisions are made within a policy context that includes state and federal laws, internal policies established by the mayor, city council and the utility, and the policies and guidelines of regional power planning agencies and organizations. Over the years, the utility industry has become increasingly regulated. Climate change is the most transformational challenge that faces the energy industry today, and though not yet enacted, federal legislation to reduce and cap carbon emissions could be the biggest policy challenge that faces the energy sector, penetrating every aspect of the industry. Washington state has partnered with other states and Canadian provinces to develop a greenhouse gas trading framework by August, 2008, called the Western Climate Initiative.

In 2006, carbon constraint took center stage in Washington state with the passage of Initiative 937. The initiative requires electric utilities to have 15% of their energy provided by new, renewable resources by 2020. Ninety percent of City Light resources comes from existing hydropower, which does not count toward I-937's renewable resource requirements, effectively limiting City Light's resource choices to conservation and renewable resources for the integrated planning process.

Since I-937 requirements are largely independent of how much energy a utility actually needs, the regulatory requirement can drive resource acquisitions that would not otherwise be made. I-937 can also affect the timing of resource acquisitions. Over time, City Light borders between being driven by renewable resource requirements and by resource adequacy requirements.

The requirements and timing of targets of I-937 put many utilities into the renewable energy resource market at the same time, driving demand for renewable resources in Washington. Similarly, renewables portfolio standards in other states (Oregon, California) will cause out-of-state utilities to compete with City Light for the supply of available renewable resources.

With so many organizations' laws and policies affecting the planning environment, there is considerable uncertainty about the rules and environment in which City Light plans to meet the electricity demand of its customers. Those that have the most impact on resource planning are described in this chapter.

The most recent federal legislation, the Energy Policy Act of 2005, includes a range of provisions pertaining to energy efficiency, generating resources and fuel supply, energy research and development, transmission and climate change.

- The Western Governors Association adopted an initiative to develop renewable resources and build transmission.
- The Pacific Northwest region is developing resource and transmission adequacy standards and engaging the Bonneville Power Administration (BPA) in a dialogue about long-term delivery of power from the federal Columbia River power system.

State legislation includes Initiative 937, described above. A recent Washington state law requires large utilities to perform integrated resource plans. Another state law designates the Washington State Energy Facility Site Evaluation Council as the state authority behind siting transmission facilities under federal energy legislation. SB 6001 establishes a greenhouse gas performance standard of 1,100 pounds per megawatt-hour for all new, long-term baseload power generation.

City of Seattle and City Light's long-standing policies encourage energy conservation, the use of renewable resources, prudent financial policies and the utility's basic mission of providing reliable service. The City has launched an initiative to reduce greenhouse gas emissions. Climate Action Now and City Light's greenhouse gas neutrality goal form a key element in meeting Seattle's community reduction goal. Table 3-1 summarizes the types of resource planning issues that various policies impact as described in this chapter.

**Table 3-1. Policies Affecting Resource Planning**

Policy/ Issue	Energy Efficiency	Renewable Resources	Planning Methods	Transmission	Resource Adequacy	Power Supplies	Tax Credits	CO2 Offsets	Climate Change
Resolution 30144	○	○						○	○
Resolution 30359								○	○
Initiative 937	○	○	○						
ESHB 1010			○						
HB 1020				○					
RCW 80.60		○							
SSB 5101		○					○		
BPA Regional Dialogue						○			
NPCC Policies	○		○		○				
WGA Resolution 06-10	○	○		○			○		
EPACT 2005	○	○	○	○			○		○
ESSB 6001						○			○

## The City of Seattle

City of Seattle and City Light’s policies guide the utility’s planning and operations as they relate to the environment and to greenhouse gas emissions. City Light has also developed policies to manage the risks of being short or long on resources and strategies to deal with energy surpluses and deficits.

### Environmental Policy

City of Seattle and City Light’s environmental policies help guide the resource planning and acquisition process in order to protect natural resources and to minimize environmental impacts while serving Seattle’s electricity needs. City Light’s Environmental Policy Statement calls for City Light to avoid, minimize or mitigate impacts to the ecosystems that it engages with and to consider environmental costs, risks and impacts when making decisions.

City Light’s Vision, Mission, Values Statement reaffirms that minimizing environmental impacts and enhancing, protecting and preserving the environment are key parts of the utility’s

goals. Minimizing environmental impacts is one of the four criteria used to evaluate the IRP candidate portfolios.

### Conservation and Renewable Resources

In 2000, the Seattle City Council passed Resolution 30144, which states that City Light should “use cost-effective energy efficiency and renewable resources to meet as much load growth as possible,” as part of a goal to meet Seattle’s electrical power needs with Net Zero greenhouse gas emissions.

City Light has continued its long-term practice of acquiring conservation through its programs at an annual rate of 7 aMW, and contracted for the purchase of approximately 45 aMW of wind power (175 MW of capacity) from the Stateline Wind project. The city council monitors utility compliance with Resolution 30144 as part of the annual reporting of Council Metrics.

City Light’s conservation plans are consistent with the City of Seattle’s 2006 Climate Action Plan, the Northwest Power and Conservation Council’s Fifth Power Plan (2005), and

the Kyoto Protocols. These plans are expected to significantly exceed I-937's requirements. Conservation resource and plans for accelerated conservation are detailed in Chapter 4.

## Greenhouse Gases and Climate Change

Resolution 30144 also directs City Light to mitigate greenhouse gas emissions from any fossil fuel use and to set a long-term goal of “net zero” annual greenhouse gas emissions. City Light achieved net zero in 2005 and has continued each year since. The Greenhouse Gas Mitigation Strategy Resolution 30359 was passed in 2001. It sets standards for calculating greenhouse gas emissions and mitigation projects. Climate change policy does not prevent City Light from acquiring electricity from resources that produce greenhouse gas, but does require that the utility fully offset those emissions.

In February 2005, the Mayor proposed that the City achieve reductions in greenhouse gas emissions based on the Kyoto Protocol goal for the United States - a 7% reduction in greenhouse gas emissions compared to 1990 levels, to be achieved by the year 2012.

In 2007, the Mayor's Climate Action Now was launched to promote reduction in greenhouse gas emissions on a community-wide basis. The program requires City Light to meet load growth with conservation and renewable resources and to offset greenhouse gas emissions. This program features City Light's Net Zero Greenhouse Gas emissions by taking actions that avoid, reduce or sequester greenhouse gas as a key component of meeting the City-wide goal and of helping the community meet its goal. The plan also identifies other actions, including the coordination of efficiency services between the gas and electric utilities that serve Seattle.

In order to meet the requirement to offset greenhouse gas emissions, City Light purchases offsets based on estimates of its emissions each year. At present no federal or state laws determine how offsets are defined, created, and sold. City Light, however, has tracked guidelines developed by non-profit and state government organizations. With the assistance of external stakeholders, the utility has established its own guidelines for counting emissions and selecting offsets. Some states, including California and several in the East, plan to

put a cap on greenhouse gas emissions from power plants and other sources, and are planning for a market-based trading system for greenhouse gas offsets. City Light's sales to California utilities could be affected by these regulations.

In the IRP analysis, the amount of greenhouse gas emissions of various resources and alternative portfolios has been calculated. The cost of offsetting those emissions will be calculated based on CO2 allowance prices under potential federal legislation.

The Lieberman-Warner Climate Security Act, S2191, which appeared to be the most likely bill to move forward at the federal level, failed during its June 2008 hearing before the Senate.

## State of Washington

### Washington's Energy Independence Act (I-937)

The Energy Independence Act requires utilities in Washington with more than 25,000 customers to acquire all cost-effective conservation at a prescribed pace and to acquire “qualifying” renewable resources at a rate of a) 3% of retail load by 2012; b) 9% of retail load by 2016; and c) 15% of retail load by 2020.

Qualifying renewable energy must either be sourced from within the Pacific Northwest, or be purchased outside the Pacific Northwest but delivered into Washington on a firm transmission path, real-time, without integration services. Hydroelectric power is not qualifying renewable energy, unless it is the direct result of qualifying hydro efficiency improvements made after March 31, 1999. The requirement for qualifying renewables can be met with renewable energy credits (RECs), which represent the environmental attributes of qualifying renewable resources at the rate of one REC per megawatt-hour.

Three City Light resources are eligible for meeting the target: the Stateline Wind project, at approximately 3% of current load; the Burlington Biomass facility; and efficiency upgrades completed after March 31, 1999 (such as Gorge Tunnel II) that result in additional power output at City Light hydropower plants.

## Integrated Resource Planning

ESHB 1010 (Chapter 195, Laws of 2006) passed by the legislature in 2006, requires certain Washington utilities, including City Light, to regularly prepare Integrated Resource Plans (IRPs). Under statute, IRPs must describe the mix of energy supply resources and conservation needed to meet current and future needs at the lowest reasonable cost to the utility and its ratepayers, using available technologies. Utilities must also consider and include in their planning cost-effective conservation and a wide range of commercially available generation technologies, including renewable technologies.

## Facilities Siting

HB 1020 (Chapter 196, Laws of 2006) designates the Energy Facility Site Evaluation Council (EFSEC) as the State's authority for siting transmission facilities under the federal Energy Policy Act of 2005. The law extends EFSEC jurisdiction to electrical transmission facilities that operate in excess of 115 kilovolts within national interest transmission corridors and also to electrical transmission lines in excess of 115 kilovolts that connect a power plant to the grid.

## Net Metering

Net metering measures the difference between the electricity supplied by a utility and electricity generated by a customer. If the customer generates more than needed, the excess power is sold to the utility's system. Under RCW 80.60, Washington state requires utilities to provide net-metering service to encourage development of renewable and distributed resources. The maximum allowable generating capacity for net metering systems is 100 kilowatts. The list of qualified generating sources for net metering includes solar, wind, water, fuel cells, and biogas from animal waste. In 2014 the cap on the total amount of net metering generation allowed in a utility's system will grow to 0.5% of its peak demand in 1996. City Light's 1996 peak load was 1950 MW, so it will be allowed 9750 kilowatts of net metered load on its system in 2014.

## Incentives for Renewables

SSB 5101, passed in 2005 by the legislature, is an investment cost recovery incentive to support certain renewable energy projects. Customers who generate electricity from a renewable energy system may seek annual incentive payment from their participating electric utility up to \$2,000 annually. Utility participation is voluntary. Participating utilities, such as City Light, are allowed a credit against their public utility tax equal to the incentives paid to customers.

## Governor's Executive Order on Climate Change

In February 2007, Governor Christine Gregoire issued Executive Order 07-02, the Washington Climate Change Challenge. The greenhouse gas reduction goals in order include:

- By 2020, reduce overall emissions of greenhouse gases in the state to 1990 levels;
- By 2035, reduce overall emissions of greenhouse gases in the state to twenty-five percent below 1990 levels;
- By 2050, the state will reduce overall emissions to fifty percent below 1990 levels.

## Power Plant Greenhouse Gas Performance Standard

In 2007, the Washington state legislature passed ESSB 6001. This bill entered the Governor's Executive Order 07-02 into law. It also established a greenhouse gas emissions limit, called the performance standard, for new power plants. The limit is 1,100 pounds of CO<sub>2</sub> per MWh of power, roughly equivalent to an existing natural gas plant emission rate. Greenhouse gas that is captured and sequestered is not counted toward the emission limit; however, the technologies for achieving capture and sequestration are in early development stages. The law also prohibits electric utilities in Washington state from renewing or entering into new contracts longer than five years for power plants that emit above the limit. This law has already impacted new power plant development in Washington state. Two proposals for new power plants were withdrawn over questions about their ability to meet the new requirement.

## 2008 Legislation

In the Washington state 2008 legislative session, a bill passed related to greenhouse gas and climate change that may have impacts for utilities and power generation. ESSHB 2815 directs the state to design an inventory process to track progress toward meeting reduction goals, describes goals for participation in regional or multi-state registry processes, and directs the state to work with the Western Climate Initiative. Of specific interest to electrical utilities, the bill requires a report to the legislature on how electrical infrastructure can be provided in urban and rural areas to promote plug-in hybrid vehicles and how electricity or alternative fuel from landfill gas or anaerobic digesters could be used in a market system for greenhouse gas reductions, and energy generators must report greenhouse gas emissions to the Energy Facility Site Evaluation Council.

## Washington State Climate Action Team

In 2007, the Washington State Climate Action Team (CAT) was formed to evaluate ways to meet Governor Gregoire's climate change reduction goals and to make recommendations. The report, "Leading the Way, A Comprehensive Approach to Reducing Greenhouse Gases in Washington State," was released in February 2008. The electricity industry was one of the focus industries.

In 2008, the CAT process will continue, with the goal of taking the recommendations from the report and working with the Washington legislature to create laws to implement them. They will focus on a subset of the recommendations that can be implemented quickly.

## Regional

Regional policies and guidelines relevant to utility resource planning are summarized below, including those of the Bonneville Power Administration, Northwest Power Planning Council and the Western Governors' Association.

## Bonneville Power Administration

Bonneville Power Administration (BPA) is the power-marketing agency for electricity generated from projects owned and operated by the Army Corps of Engineers and the Bureau of Reclamation. City Light purchases approximately 40% of its power supply from BPA, and decisions affecting the marketing of this power at the federal level can significantly impact City Light's resource portfolio cost, risk and reliability. City Light also relies heavily on purchases of significant amounts of transmission from BPA to transfer power from City Light's remote generating resources to its load.

BPA customers, including City Light, have joined to promote long-term, cost-based contracts to restore and protect low-cost regional power in the face of periodic attempts to divert the benefits of BPA from the Pacific Northwest.

After many years of discussions, Pacific Northwest utilities have concluded that BPA should only sell the output of the Federal Base System (federal hydropower plus the Energy Northwest nuclear power plant). All publicly owned utilities should be responsible for acquiring new resources to meet any of their loads in excess of what is allocated to them from BPA. Investor owned utilities should get a financial settlement of their residential exchange rights. Other significant issues have yet to be resolved.

BPA is preparing a Policy Proposal about what new long-term contracts will look like. BPA proposes that contracts be signed for service that begins in October 2011 and terminates in November 2027.

## Northwest Power and Conservation Council

The Northwest Power and Conservation Council (NPCC) is a public agency created by the Pacific Northwest Electric Power Planning and Conservation Act of 1980. The agency's three major functions are to:

- Develop 20-year electric power planning for the Northwest that guarantees adequate and reliable energy at the lowest economic and environmental cost.



- Develop programming to protect and rebuild fish and wildlife populations affected by hydropower development in the Columbia River Basin.
- Educate and involve the public in the Council's decision-making processes.

## Power Planning

The NPCC's Fifth Power Plan (December 2004) forecasts a regional surplus of power for the next few years and predicted that no generation resources will be needed until at least 2010. A power surplus resulted when loads declined due to the recession after the West Coast power crisis of 2000-2001 and the decline in consumption by the aluminum industry. Regional loads fell to their early 1990s levels, however, many new power plants had been built to respond to the power shortages experienced in 2000-2001. The plan recommends that the region begin an aggressive conservation program and lay the groundwork for building a large amount of wind generation and a relatively small amount of coal-fired generation that will be needed later.

## Regional Resource Adequacy Standard

In 2006, the NPCC adopted a new regional standard intended to ensure an adequate supply of electricity for the Pacific Northwest. The regional standard is also expected to be included for the Northwest region within the broader West-wide efforts on resource adequacy by the Western Electricity Coordinating Council (WECC).

NPCC's regional adequacy standard is intended to address the unique characteristics of the Pacific Northwest, including the region's winter-peaking loads, compared to summer-peaking loads across most of the West, and heavy dependence on hydroelectric generation. The Pacific Northwest energy aim is to have resources equal the expected annual load.

## Western Governors Association

In June 2004, Western Governors adopted a resolution to examine the feasibility of developing 30,000 MW of clean and diverse energy by 2015, to increase energy efficiency 20% by 2020, and to provide adequate transmission to meet the region's needs through 2030.

In 2005, they created the Clean and Diversified Energy Advisory Committee (CDEAC) to oversee the work of seven task forces that examined the feasibility of reaching those goals. The task forces prepared reports with recommendations in the following areas: energy efficiency, advanced coal, geothermal, wind, biomass, solar and transmission.

In 2006, the Western Governors adopted Resolution 06-10, agreeing to provide production tax credit for all renewable energy technologies and energy efficiency investments, raise the cap on the residential investment tax credit to \$10,000 for renewable energy or distributed generation systems, and support improvements in national appliance efficiency standards.

In June 2007, the Western Governors adopted Resolution 07-17, making recommendations for renewable portfolio standards that were largely satisfied in Washington state by I-937.

Resolution 07-17 supports:

- Hydropower research and emerging hydrokinetic/ocean technologies.
- Long-term reauthorization of renewable production tax credits.
- Achieving energy efficiency savings from new and existing residential and commercial/public buildings.
- Transmission to accommodate the integration of large amounts of renewable generation in the Western power system.
- Effective utilization of existing hydropower facilities and more effectively using small hydro potential.
- Implementation of national renewable portfolio standards.

## Western Climate Initiative

The Western Climate Initiative (WCI) was launched in February 2007 by the governors of the states of Washington, California, Oregon, Arizona, and New Mexico. Its goal was to develop regional strategies to address climate change. Subsequently, the governors of the states of Utah and Montana, and the Premiers of British Columbia, Manitoba, and Quebec have joined. Other western states and provinces are participating as observers, including Alaska, Idaho, Nevada,

Colorado, Wyoming, Kansas, Ontario, Saskatchewan, and six Mexican states.

In August of 2007, WCI announced a regional goal of reducing greenhouse gas emissions to 15% below 2005 levels by the year 2020. This goal is consistent with goals set by the partner states.

By August 2008, WCI is to complete the design of the market-mechanism based system partners will use to meet the goal. Reports of greenhouse gas emissions will be done at the state or province level, every two years, and will be submitted to WCI. All six of the greenhouse gases covered in the Kyoto Protocol will be included in the reports.

Currently WCI has drafted recommendations on principles to guide the development of the design covering the following areas: allocation of greenhouse gas emission allowances, the use of greenhouse gas offsets to meet the goal, and reporting requirements. The reporting requirements will likely follow those being developed by The Climate Registry (see below).

States and provinces will report electricity emissions based upon the sources used to supply end-use load inside their borders, even if the power is generated outside their borders. This will pose a challenge to electric utilities to determine the sources of imported and short term market electricity purchases.

## The Climate Registry

Building on the work done by the California Climate Action Registry, a multi-state greenhouse gas emissions registry called The Climate Registry (TCR) was formed in 2007. Its development has moved quickly, and as of spring 2008, membership included 39 states, seven Canadian provinces, six Mexican states, and three Native American Tribes. Although voluntary, it is being discussed as the platform for federal legislation for reporting and reducing greenhouse gas emissions.

The City of Seattle is a founding member of TCR, and City Light will likely report its greenhouse gas emissions through this registry. General Reporting protocols have been finalized, and more specific guidelines for electric utilities will be developed.

## Federal

The primary federal statutes relevant to energy resource planning are the Clean Air Act, Clean Water Act and Energy Policy Act of 2005.

## Environmental Regulations

At the federal level, recent EPA regulations (the Clean Air Interstate Rule and the Clean Air Mercury Rule) have set tighter limits for emissions of common air pollutants from power plants: oxides of sulfur and nitrogen, and mercury. Other regulations will further limit emissions of particulate matter. These regulations may become more restrictive during the planning period of the IRP, and states may set their own more restrictive standards as well. Meeting these limits can be a significant technical challenge, as well as a significant additional cost, for power plants that burn fossil fuel.

Federal Clean Water Act regulations have also become more stringent. Power plants that use water for cooling could be affected by these changing regulations, as restrictions increase on removing water from, and discharging cooling water into, surface and groundwater sources. These restrictions are often related to protecting habitat for fish and wildlife, as well as protection of human health.

The Endangered Species Act (ESA) can affect the potential to site new power plants and transmission facilities. Currently, hydropower operations are significantly regulated because of their potential impacts on ESA-listed fish species. As new species are listed, and as new information about hydropower operations' effects on those species becomes available, the operational rules may change. Consequently, this could possibly change both the amount and the timing of hydropower output. This issue is extremely important to City Light, given its reliance on both its own hydropower facilities and on the Bonneville Power Administration's supply.

## Energy Policy Act of 2005

In 2005, the first federal energy legislation in 13 years addressed a wide range of issues including energy efficiency, generating resources and fuel supply, the environment and transmission.

## Energy Efficiency

Several provisions related to energy efficiency may influence the acquisition of conservation resources within City Light's service area. The Energy Policy Act of 2005 authorizes \$50 million in funding annually between 2006 and 2010 for state-administered energy efficient rebate programs for residential Energy Star products. These include appliances, heating and cooling systems, home electronics, lighting, and windows, doors and skylights. The legislation establishes financial grants for state-run programs to achieve at least 30% efficiency improvements in new and renovated public buildings.

## Generation Resources and Fuel Supply

### *Hydroelectricity*

The Act authorizes \$100 million for hydroelectric efficiency improvements at existing dams and modernizes the hydropower laws to allow increased production. It creates a 10-year tax credit that will apply to "qualified hydropower production" if placed in service prior to January 1, 2008. Relicensing provisions are amended to allow applicants or other parties to propose alternatives to conditions set by the agencies.

### *Natural Gas*

The Act confirmed that FERC has exclusive authority over siting, construction, expansion and operation of liquefied natural gas (LNG) import terminals located onshore or in state waters. In addition, it confirms FERC's role as the lead agency for National Environmental Policy Act compliance and for purposes of coordinating all applicable Federal authorizations. The Act also confirms existing rights of states to review LNG terminals under the Coastal Zone Management Act, Clean Water Act and Clean Air Act.

### *Coal*

The Act authorized \$200 million per year from 2006 to 2014 for a federal government cost-share program to conduct demonstrations of commercial-scale advanced clean coal technologies. It also authorized \$3 billion in the form of loans, cost sharing or cooperative agreements to encourage new sources of advanced coal-based power generation, and to upgrade existing sources of coal-based generation to improve air quality to meet current and future obligations of coal-fired generation units regulated under the Clean Air Act. The Act

authorized a total of \$1.095 billion over three years in funding for the Department of Energy (DOE) clean coal research and development program, and \$75 million over three years for a DOE program to develop carbon capture technologies that can be applied to the existing fleet of coal units.

### *Innovative Technologies*

The Act established a loan guarantee program to provide incentives for "innovative energy technologies" that avoid, reduce, or sequester air pollutants or greenhouse gases and use technologies improved in comparison to those in commercial use. Eligible projects include renewable systems, advanced fossil energy technologies (including coal gasification), hydrogen fuel cell technology, advanced nuclear energy facilities and others. There is no cap on the amount of funds used for this program.

### *Nuclear Energy*

The Price-Anderson Act was re-authorized for commercial nuclear power plants and DOE contractors for 20 years; it increases the indemnification for DOE contractors to \$500 million. In addition, it authorizes construction of a nuclear reactor at the DOE Idaho National Laboratory that will generate both electricity and hydrogen, and creates a federal loan guarantee program to encourage the design and deployment of innovative technologies including advanced nuclear power plants.

## Transmission

To promote investment in electric transmission infrastructure, FERC is directed to do an incentive rate rulemaking and provide for participant funding. In addition, it provides for expedited siting processes on both federal and private lands, and for the use of advanced transmission technologies. The Act established an Electric Reliability Organization to develop and enforce reliability standards for the bulk transmission system. The Act also requires FERC to identify the steps needed to make available real-time information on the functional status of all transmission lines within each of the transmission interconnections, and to implement such a transmission information system.

DOE is directed to study of electric transmission congestion and possible designation of "national interest electric transmission corridors." The designation of such corridors



could have a significant impact on the development of new electric transmission facilities. Congress has given FERC “backstop” authority to grant permits for the construction or modification of electric transmission facilities within these corridors in certain situations, including where the state siting authority has withheld approval. (In Washington state, HB 1020 in designates the State EFSEC to prevent a FERC backstop.)

## Climate Change

Climate change actions directed by the Act include forming a Climate Change Technology Advisory Committee charged with integrating existing federal climate change reports and activities. The Committee is to submit a national strategy to promote the deployment and commercialization of greenhouse gas intensity reductions, and to identify barriers to these technologies and ways to remove those barriers. Best Management Practices are also to be developed for calculating, monitoring and analyzing greenhouse gas intensity.

## Amendments to the Public Utility Regulatory Policy Act (PURPA)

The Act amended PURPA to repeal the requirement for mandatory purchase from qualifying facilities by electric utilities if a competitive market exists, and established new criteria for qualifying cogeneration facilities.

The Act amended PURPA to require state regulators and certain non-regulated electric utilities to consider five new standards based on the purposes of PURPA: net metering, fuel sources, fossil fuel generation efficiency, smart metering, and interconnection. Washington state’s IRP law and City Light’s IRP process meet the consideration and determination requirements required under PURPA. City Light does not anticipate the need for substantial discussion on the fuel sources and fossil fuel generation efficiency standards, since they are covered by existing state law.

